



COLIN'S

CORNER

Don't risk your professional competency

Many challenges face accountants and auditors. We confront new accounting standards on revenue, financial instruments, and leases.

Risks posed by new and revised legislative requirements have increased, and penalties for non-compliance are bigger.

Stung by the findings of the Commissioner Hayne's interim report into *Misconduct in the Banking, Superannuation and Financial Services Industry*, the ASIC and APRA will be much, much tougher to deal with.

Other regulators have also been active – AUSTRAC on anti-money-laundering and counter-terrorism financing, the ACNC in regulating charities, and the Fair Work Ombudsman on workplace rights and obligations.

And don't forget the ethical responsibilities under APES 110 *Code of Ethics for Professional Accountants*, in particular the five fundamental responsibilities and the recent addition of non-compliance with laws and regulations (NOCLAR) demands.

On the horizon, there are new challenges such as a revised ethics code for accountants, a revised accounting conceptual framework, a new whistleblowing culture, new rules on bribery and corruption, ASX changes to corporate-governance reporting, and climate-change reporting.

Faced with these demands (many of which have been reported in *GAAP Alert*), professional accountants must maintain their competencies and exercise due care. And the best way to do that is to plan ahead.

At the moment, many decisions are ad hoc, training outcomes less than the best. Just get the hours in. Money is wasted.

In light of the new challenges our profession faces, is it time to spend more on training? Think specifically about your needs and those of your team. Plan accordingly.

One of the five fundamental principles applicable to all professional accountants is to 'to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional services based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards'.

This requires continuing awareness and an understanding of relevant technical, professional and business developments. Continuing professional development enables an accountant to maintain and strengthen capabilities to perform more than competently, better than the rest.

Planning to develop the skills of you and your team is one of the best professional investments you can make. Don't risk your professional competency. Indeed, aim to take it to a new and higher level.

INSIDE THIS ISSUE

Financial reporting

- Reporting reforms to apply only to for-profit entities
- ASIC and the ATO support special-purpose moves
- New guidance on licence revenue for NFP public sector licensors
- Grantors' standard deferred
- Help to understand local-government reporting
- Climate-risk disclosures need to be more consistent
- Climate-related disclosures and materiality

Governance

- Stronger penalties mooted for financial misconduct
- Momentum building for climate-related financial disclosures

Regulation

- Gift-card reforms will benefit consumers
- ACNC update

Fraud and NOCLAR

- Queensland liquidator charged with fraud

AFS licensees

- Join AFCA now
- Breach reporting under fire
- New guidance on compliance schemes for financial advisers

Audit

- CA ANZ updates guidance on client monies
- Climate change and auditors' liability
- Voluntary assurance reports for clean-energy regulator

Inside GAAP Consulting

- *GAAP Training* website launch with five training events
- 12 *GAAPinars* from 1 November – register now
- Contract analysis made easy
- *NFP Risks and Compliance* newsletter 30 September
- Meeting your needs
- Appendix *Your November-March training calendar*

Financial reporting

Reporting reforms to apply only to for-profit entities

The Australian Accounting Standards Board has decided that proposals in ITC 39 on the revised international conceptual framework and special-purpose financial statements will apply only to for-profit entities.

As foreshadowed in ITC 39 *Applying the IASB's Revised Conceptual Framework and Solving the Reporting Entity and Special Purpose Financial Statement Problems*, removal of special-purpose statements for private-sector NFPs is dependent on a review of the charity regulator's legislation.

As a result of feedback from NFPs and recent discussions with the Australian Charities & Not-for-profits Commission and other regulators, the AASB considers that the proposals in ITC 39 are most relevant for for-profit-entities.

While the board aims to replace special-purpose financial statements with simple, comparable, proportionate, transparent financial reporting, it has recognised that the journey for private-sector NFPs will be very different from those in the for-profit private sector.

The AASB will continue to research optimal outcomes, collaborate with regulators, and regularly consult with NFPs to ensure a simple, fair and smooth transition for them.

Removing special-purpose statements is deemed significant, and several options will need to be considered. More time is needed to find the best outcome for NFPs.

The board will issue a separate consultation document on the issue.

The removal of special-purpose statements is expected to have little impact on public-sector NFPs. The board will pursue financial-reporting reform in the public sector via consultation based on the discussion paper *Improving Financial Reporting for Australian Public Sector*.

ASIC and the ATO support special-purpose moves

The Australian Securities & Investments Commission supports consultation to remove special-purpose financial statements for entities it regulates.

The commission stated: 'ASIC fully supports the consultation to remove special-purpose financial statements for entities regulated by ASIC and remove the subjective "reporting

entity" test under SAC 1, facilitating a comparable, consistent and transparent framework for preparation of financial statements in Australia.'

The Australian Taxation Office has also supported the move. It commented: 'The ATO is supportive of the AASB's proposed approach to consulting on a series of principles or concepts for enhancing the transparency of entities [preparing special-purpose statements] as part of adopting the revised conceptual framework issued by the International Accounting Standards Board and for inclusion in Australian [standards] by 2021.'

The AASB said that it would continue to work with the ATO and other regulators to improve the consistency, comparability and transparency of financial reports prepared in accordance with Australian standards.

Reminder: a recording is available on the topic 'New reporting framework – an end of SPFRs?' from our April-June GAAPinar series. It can be purchased from the GAAPinar library www.gaaptraining.com.au.

New guidance on licence revenue for NFP public sector licensors

A new amended standard will provide clarity for NFP public-sector NFP licensors on how to apply standards to revenue from licences they issue.

AASB 2018-4 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors* includes implementation guidance and examples. to AASB 15 *Revenue from Contracts with Customers* to provide:

- Guidance to distinguish a licence from a tax
- Clarification on the application of AASB 15 for revenue from 'non-intellectual-property' licences, and
- Practical recognition exemptions for short-term and low-value licences issued by NFP public-sector licensors.

The standard also amends AASB 16 *Leases* to clarify its scope.

AASB 2018-4 applies to annual periods beginning on or after 1 January, aligning it with the application date for NFPs of AASB 15. Earlier application is permitted.

Grantors' standard deferred

A proposed accounting standard will amend the mandatory effective date of AASB 1059 *Service Concession Arrangements: Grantors*.

AASB 1059 would become operative for annual reporting periods beginning on or after 1 January 2020 instead of 1 January next year.

The AASB has decided to propose deferring the effective date after considering comments from stakeholders preparing for the standard's implementation. Several requested a date deferral.

A 'fatal-flaw' draft version of *Amendments to Australian Accounting Standards – Deferral of AASB 1059* is open for comment until 10 October. The definitive standard is expected to be released in November.

Help to understand local-government reporting

CPA Australia has published *A guide to understanding the financial reports of local governments*. It is intended to help a range of stakeholders, including councillors and ratepayers, to understand better accounting and regulatory aspects of local-government financial reporting.

Climate-risk disclosures need to be more consistent

An ASIC report on climate-risk disclosure by Australia's listed companies has found that more could be done to improve consistency in disclosure practices. There was very limited climate risk disclosure outside of the top-200 companies.

Report 593 *Climate risk disclosure by Australia's listed companies* sets out ASIC's findings and recommendations for listed companies.

It reviewed:

- 60 listed companies in the ASX 300
- 25 recent initial public offering prospectuses, and
- 15,000 annual reports.

Of the 60 listed companies, 17 per cent identified climate risk as material to their business. While most companies of the reviewed ASX 100 entities had considered climate risk to some extent, disclosure practices were considerably fragmented. Information provided to the market differed in form.

The review found that climate-risk disclosures were not specific enough and of limited use to investors. Listed companies not in the ASX 200 performed very limited climate-risk disclosure.

ASIC encouraged listed companies and their directors and advisors to:

- Adopt a probative and proactive approach to emerging risks, including climate risk
- Develop and maintain strong and effective corporate governance, which helps in identifying, assessing and managing risk
- Consider how best to comply with the law where it requires disclosure of material risks, and
- Disclose to investors meaningful and useful climate-risk-related information – the voluntary framework developed by the Taskforce on Climate-related Financial Disclosures can assist.

ASIC commissioner John Price said: ‘Climate change is a foreseeable risk facing many

listed companies in [...] a range of different industries. Directors and officers of listed companies need to understand and continually reassess existing and emerging risks (including climate risk) that may affect the company’s business – for better or for worse.

‘Climate-risk disclosure [is] still evolving, not only in Australia but [...] globally. We intend to monitor market practice as it continues to evolve and develop [...].’

Climate-related disclosures and materiality

The AASB and the Auditing and Assurance Standards Board will publish an example to illustrate how guidance in AASB practice statement 2 *Making Materiality Judgements* may be applied when climate change is a factor.

The guidance will consider how companies that are likely to be affected by climate change (for example, in the energy, industrial, mining, agriculture, superannuation and investment sectors) should consider investors’ views on the importance of the issue in assessing materiality and the impact on disclosures related to climate risk.

Reminder: a recording is available on the topic *Applying the new materiality guidance – for improved decision-making* from our April-June GAAPinar series. It can be purchased from the GAAPinar library www.gaaptraining.com.au.

Governance

Stronger penalties mooted for financial misconduct

The federal government has released for consultation draft legislation to strengthen penalties for corporate and financial-sector misconduct.

The proposed changes would double maximum imprisonment penalties and significantly increase financial penalties for some of the most serious ‘white-collar’ criminal offences.

The financial penalty for individuals for civil contraventions would be increased more than five fold, from \$200,000 to \$1.05 million, or three times the benefit gained (whichever is greatest) from the contravention.

Contraveners may also be stripped of ill-gotten gains from their illegal activities.

The draft legislation seeks to update the penalties for certain criminal offences in ASIC-administered legislation, including:

- Increasing the maximum imprisonment penalties for certain criminal offences
- Introducing a formula to calculate financial penalties for criminal offences
- Removing imprisonment as a penalty and increasing the financial penalties for ‘strict’ and ‘absolute’ liability offences
- Introduce ordinary criminal offences to sit alongside strict and absolute liability offences
- Significantly increase the financial penalties for civil contraventions and give courts discretion to strip contraveners of their ill-gotten gains in civil penalty proceedings

- Modernise and expand the civil-penalty regime by making a wider range of offences subject to civil penalties
- Harmonise and expand the infringement-notice regime
- Introduce a new test that applies to all dishonesty offences under the *Corporations Act 2001*, and
- Ensure that courts prioritise compensating victims over ordering the payment of financial penalties.

These proposed changes seek to implement key recommendations of ASIC’s enforcement-review taskforce and complement action that the government has already taken, including providing \$70.1 million in additional funding to ASIC to bolster its enforcement capabilities and establishing a new one-stop-shop for consumer complaints.

Closing date for submissions to Treasury is 23 October.

Momentum building for climate-related financial disclosures

A Swiss-based Financial Stability Board task force has found that few firms disclose the financial impact of climate change.

The task force’s survey of more than 1700 firms from diverse sectors revealed that disclosures were often made in sustainability reports or spread across financial filings and annual reports.

The survey aimed to discover the extent to which companies in their 2017 reports included information aligned with the task force’s core recommendations, which were published in June 2017.

The survey showed that:

- The majority of the firms surveyed disclosed information aligned with at least one of the recommended disclosures
- While many companies described climate-related risks and opportunities, few disclosed the financial impact on the company of climate change
- A minority of companies disclosed forward-looking climate targets or the resilience of their strategies under different climate-related scenarios, including a 2 degrees Celsius or lower increase in world temperatures, and
- Disclosures varied widely across industries, more non-financial companies reporting their climate-related metrics and targets than financial companies. However, financial companies were more likely to disclose how they had embedded climate risk into overall risk management, and
- Disclosures are often made in sustainability reports or spread across financial filings, annual and sustainability reports.

More than 500 firms with market capitalisations of over \$7.9 trillion supported the task force’s recommendations, it reported. Financial firms were responsible for assets of nearly \$100 trillion. Only 100 companies backed the recommendations when they were launched in June last year.

FSB chair Mark Carney said: ‘Today’s announcement shows that climate-disclosure is becoming mainstream. Over 500 companies are now supporters of the [recommendations], including the world’s largest banks, asset managers and pension funds [...]’.

The [survey] demonstrates the practical, decision-useful nature of the recommendations. As preparers, financial institutions and investors “learn by doing”, a virtuous cycle will be created where more and better information creates the imperatives for others to adopt the [recommendations] and for everyone to up their game on the quality of information they provide.’

The FSB has asked the task force to publish a further report in June next year that will analyse 2018 financial reports.

The task force (on Climate-related Financial Disclosures or TCFD), was established in December 2015 to develop a set of voluntary, consistent disclosure recommendations for companies to use in providing information to investors, lenders and insurance underwriters about their climate-related financial risks.

Members of the force are drawn from a wide range of industries and countries.

The recommendations of June 2017 have four themes:

- Governance – an entity’s governance of climate-related risks and opportunities
- Strategy – the actual and potential impacts of climate-related risks and opportunities on businesses, strategy, and financial planning
- Risk management – the processes used by firms to identify, assess and manage climate-related risks, and
- Metrics and targets – measures to assess and manage relevant climate-related risks and opportunities.

More information on the task force’s work and companies’ statements of support, are available at www.fsb-tcfd.org.

The FSB was established to coordinate at an international level the work of national financial authorities and international standard-setting bodies and to develop and promote the implementation of effective regulatory, supervisory and other financial-sector policies in the interests of financial stability.

It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts.

Mark Carney, the Bank of England’s governor, chairs the board, which is based in Basel and is hosted by the Bank for International Settlements.

Regulation >

Gift-card reforms will benefit consumers

The Legislative and Governance Forum on Consumer Affairs has voted to implement nationally consistent reforms to gift-card expiry.

The reforms will provide three-year minimum expiries, require gift cards to display prominently their expiry dates and ban post-purchase fees on gift cards.

Nationally consistent reforms will benefit businesses in keeping compliance costs to a minimum instead of having to manage a

patchwork of state-based regulations.

The three-year minimum expiry date is consistent with New South Wales and South Australian reforms, meaning that businesses that have already introduced the move will not need to change. Other businesses will need to comply by 1 November 2019.

The new law also enables exemptions to be made through regulations. The federal government is considering where exemptions are needed to clarify the law and allow essential business activities. Exposure-draft regulations should be released soon.

ACNC update

The Australian Charities and Not-for-profits Commission has:

- Announced a new agreement signed by NSW Fair Trading and the ACNC that reduces the administrative burden on registered charities
- Registered 208 new charities, and
- Revoked the charity status of Lieu Quan Buddhist Association Incorporated.

ASF licensees >

Join AFCA now

ASIC has warned Australian financial-services and credit licensees, authorised credit representatives and superannuation trustees that they are obliged by law to join the Australian Financial Complaints Authority.

The Minister for Financial Services has set a membership deadline of 21 September. New members may join via the AFCA website (www.afca.org.au).

Financial firms who do not do this will be in breach of the law.

ASIC is monitoring AFCA membership and will be following up firms that fail to meet the deadline.

The commission is finalising a way in which firms may delay notifying the commission of

their AFCA membership. Firms may update details between 1 and 30 November.

Financial firms must prioritise obtaining their AFCA membership.

Breach reporting under fire

ASIC has identified serious, unacceptable delays in the time taken to identify, report and correct significant breaches of the law among Australia’s most important financial institutions.

Report 594 *Review of selected financial services groups’ compliance with the breach reporting obligation* examined the breach reporting processes of 12 financial-services groups.

The review considered the institutions’ compliance with reporting requirements under section 912D of the Corporations Act.

The law requires Australian Financial Services licensees to report to ASIC a ‘significant breach’ within 10 business days of becoming aware of it.

Key findings from the report include:

- Financial institutions are taking too long to identify significant breaches, major banks taking an average time of 1,726 days (more than 4.5 years)
- There were delays in remediation for consumer loss. An average of 226 days passed from the end of a financial institution’s investigation into the breach and first payment to affected consumers. (This is on top of the average across all institutions of 1517 days before the breach was discovered and the time taken to start and complete an investigation)

- Significant breaches caused financial losses to consumers of about \$500 million, millions of dollars of compensation yet to be provided, and
- Investigating a breach report to lodging it with ASIC took too long, major banks taking an average of 150 days.

Once a financial institution has determined that a breach has occurred and that it is significant, the law requires that it be reported to ASIC within 10 business days. One in seven significant breaches (110 of 715) were reported later than that.

ASIC chair James Shipton said: 'Breach reporting is a cornerstone of Australia's financial-services regulatory structure.

'Many of the delays in breach reporting and compensating consumers were due to the financial institutions' inadequate systems, procedures and governance processes, as well as a lack of a consumer-orientated culture of escalation [...].

'Our review found that, on average, it takes over five years from the occurrence of the incident before customers and consumers are remediated, which is a sad indictment on the financial-services industry. This must not stand.

'There are two related problems here and ASIC wants change to address both of these. The first is that industry is taking far too long to identify and investigate potential breaches. Whilst this is not of itself a breach of the reporting requirement, this is the source of longest delay and thus of most detriment for consumers.

'The second problem is that even having identified an issue and concluded following an investigation that it is a breach, institutions are failing to [...] report it to ASIC within the required 10 business days.

'Accordingly, there is an urgent need for investment by financial services institutions in

systems and processes as well as commitment and oversight from boards and senior executives to address these significant failings.'

ASIC is considering enforcement action for failures to report breaches on time.

The review underscores the need for law reform of breach-reporting requirements. Proposed reforms would address three principal barriers to enforcement action:

- The test as to whether a breach is significant and therefore is legally required to be reported is subjective. That is, the licensee makes that decision based on its own assessment, not on objective grounds
- The 10-business-day period for reporting begins only once an institution has determined that there is a breach and that it is significant. Institutions can delay making a decision without breaching the law, and
- Failures to report can only be prosecuted on a criminal basis, which requires a high standard of proof. Penalties are relatively modest.

Subjectivity and ambiguity in the legal requirements have led to inconsistent decisions about what breaches are 'significant' across financial-services groups. As noted by an ASIC enforcement-review task force, this has undermined the commission's ability to take enforcement action for non-compliance.

The task force reported to the federal government that 'the current regime is not conducive to pursuing action against non-compliant licensees'.

The government has accepted in principle the task force's law-reform recommendations. Reforms would make breach-reporting rules stronger, clearer, and more enforceable as well as extending the requirement to cover breaches of credit laws and introducing a civil penalty for failure to report.

New guidance on compliance schemes for financial advisers

ASIC has released guidance on its proposed approach to approving and overseeing compliance schemes for financial advisers.

The financial-advice standards reforms include obligations for advisers to, from 1 January 2020, comply with a code of ethics and be covered by an ASIC-approved compliance scheme under which their compliance will be monitored and enforced.

Regulatory guide 269 explains the commission's criteria for determining whether to grant approval to a compliance scheme.

It also sets out:

- Expectations for the governance and administration, operation, monitoring and enforcement of compliance schemes
- How the commission will exercise its powers to revoke the approval of a compliance scheme and to impose or vary conditions on the approval, and
- Notifications that monitoring bodies must make to the commission.

ASIC deputy chair Peter Kell said that ASIC was committed to ensuring robust, transparent, fair and consistent compliance schemes that effectively monitored and enforced compliance with the code of ethics.

'Effective compliance schemes are a key component of the reforms that will require higher standards of ethical behaviour and professionalism among financial advisers.

'Our guidance requires high standards for compliance schemes, reflecting the significant responsibility that monitoring bodies operating compliance schemes will have. This includes the responsibility to effectively monitor and sanction adviser members if required.'

The code of ethics is being developed by the Financial Adviser Standards and Ethics Authority (FASEA). Consultation on an exposure draft released by FASEA closed on 1 June.

Fraud and NOCLAR

Queensland liquidator charged with fraud

Following an ASIC investigation, David John Leigh, 56, of Sherwood in Queensland has appeared before a Brisbane magistrate charged with three counts of fraud under section 408C(1) of the Criminal Code 1899 (Qld).

ASIC has alleged that between 25 July and 9 November last year Mr Leigh, while a

co-liquidator of Neolido Holdings Pty Ltd, caused the transfer of a total of \$800,000 from Neolido's liquidation account to the bank account of a private company that he controlled and that he used the funds for his own purposes.

The charges have been listed for mention at the Brisbane Magistrates Court on 2 November.

Under section 408C(2A) of the Criminal Code 1899 (Qld), the maximum penalty for a fraudulent act involving at least \$100,000 is 20 years' imprisonment.

Reminder: a recording is available on the topic '*Managing your fraud risk as a preparer or auditor*' from our April-June GAAPinar series. It can be purchased from the GAAPinar library www.gaaptraining.com.au.

Audit

CA ANZ updates guidance on client monies

To help members performing compliance engagements, Chartered Accountants Australia & New Zealand has updated guidance on the recently revised APES 310 *Client Monies*.

APES 310 is effective for engagements commencing on or after 1 October. It applies to members in public practice dealing with client monies.

The revised standard has separate sections for trust accounts (Section 5) and client bank accounts (Section 6). The revised standard also permits a limited-assurance compliance engagement over client bank accounts provided that the member does not operate a trust account and can only co-authorise transactions from the bank account with the client.

The process for changing an auditor of client monies has also changed.

An example of a reasonable assurance engagement report in Appendix 1 has been updated to align with the recently revised ASAE 3100 *Compliance Engagements*.

Climate change and auditors' liability

CPA Australia has outlined comparative legal obligations and potential sources of professional liability for Australian auditors when climate change is a factor in their deliberations.

The advice is based on UK NFP environmental-law organisation ClientEarth's publication *Risky business – Climate change and professional liability for auditors*.

Four short papers examine various standards and rules applicable to UK auditors' duties concerning annual financial accounts. They focus on where corporate disclosures might reasonably be expected to contain climate-risk-related information and how these might translate to Australian circumstances. They are:

- *Introduction – Climate change and professional liability risks for auditors: A comparative United Kingdom/Australia analysis*
- *Paper 1 – Auditors' legal duties and climate risk in annual accounts: Time for a rethink of the 'old chestnut' of true and fair view?*
- *Paper 2 – Auditors' legal duties: Climate risk in other information, and*

- *Paper 3 – Auditors' legal duties and climate risk in annual accounts: Unlawful or improper dividends.*

Voluntary assurance reports for clean-energy regulator

The Clean Energy Regulator has released an opinion on the use of voluntary assurance-audit reports for National Greenhouse and Energy Reporting (NGER).

The opinion sets out the types of voluntary audits the regulator may consider before selecting regulator-initiated audits over NGER data.

Reporters are encouraged to familiarise themselves with the regulator's views.

If you are considering a voluntary audit, you are encouraged to engage a firm from the Register of Greenhouse and Energy Auditors. Register members ensure that clients comply with NGER requirements in accordance with the National Greenhouse and Energy Reporting Act 2007.

Reporters choosing voluntary audits should attach audit reports, including Part B detailed findings, to their submission in the Emissions and Energy Reporting System.

INSIDE GAAP CONSULTING

GAAP Training offers five events

GAAP Training has opened registrations through its new website for:

- Twelve 1.5-hour GAAPinars in November-December that cover financial reporting, auditing, ethics and business risks
- A masterclass of face-to-face training on AASB 16 *Leases*
- A five-part masterclass series (12.5 hours) by GAAPinar on AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-For-Profit Entities*
- Our *Lead the way audit conference*, and
- Access to our extensive GAAPinar library.

See Appendix *Your November-March training calendar*.

For further information contact Andrew Parker, andrew@gaptraining.com.au or 0401 858 889, and Colin Parker, colin@gap.com.au or 0421 088 611. Visit www.gaptraining.com.au.

12 GAAPinars from 1 November – register now

In November and December, GAAP Training offers you 12, 90-minute GAAPinars covering financial reporting, auditing, ethics and business risks.

Topics are highly relevant for 31 December reporters and beyond. They are especially aimed at auditors, finance-team members and accounting firms' business advisers.

Our topics and dates are:

Financial reporting

- *Problem issues in AASB 15 Revenue from Contracts with Customers* (1 Nov)
- *Implementing AASB 15 Revenue from Contracts with Customer disclosures* (15 Nov)
- *Implementing AASB 7 Financial Instrument: Disclosures* (15 Nov)
- *A not-for-profit focus on AASBs 15 and 1058* (20 Nov)
- *Reporting and auditing considerations for 31 December* (6 Dec)

Audit

- *Examining changes to compliance engagements* (8 Nov)
- *Key issues in auditing revenue under AASB 15* (22 Nov)
- *Key issues in auditing financial instruments under AASB 9* (22 Nov)

Business risks

- *What's new in GAAP, GAAS, APES and the regulators* (1 Nov)
- *Updating employment law and its risks* (29 Nov)
- *The latest ACNC developments and insights* (29 Nov), and
- *The legalities of contemporary business risks* (6 Dec).

There are several double-headers. Up to 18 hours for CPD/CPE are available from this GAAPinar series.

For further information, contact Andrew Parker, andrew@gaptraining.com.au or 0401 858 889.

Register today at www.gaptraining.com.au.

Contract analysis made easy

AASB 15 *Revenue from Contracts with Customers* has been operative since 1 January and AASB 1058 *Income of Not-For-Profit Entities* and AASB 16 *Leases* becomes operative from 1 January next year.

Do you know how to implement them?

It's not easy – every contract needs to be understood according to how it is to be accounted for. Let the experts at *GAAP Consulting* get you on track with an analysis of one of your contracts.

Our advisory team is Colin Parker, Carmen Ridley, Sonya Sinclair, Stephen La Greca and corporate lawyer Stephen Newman.

The *GAAP Consulting* team can also help you with:

- AASB 15, AASB 1058 and AASB 16 training
- Reviewing and monitoring your implementation plans
- Checking your AASB 15, AASB 1058 and AASB 16 decisions
- Developing detailed accounting policies, and
- Reviewing your financial-reporting template.

Contact Colin to discuss our contract-review service and how we can help you to implement complex accounting standards.

NFP Risks and Compliance newsletter 30 September

GAAP Consulting's September-quarter edition of *NFP Risks and Compliance* newsletter has been circulated to accounting-firm subscribers. It contains more than 25 news items.

The newsletter aims to help accounting firms keep their current and potential NFP clients informed. It helps enormously when accountants can demonstrate expertise and experience.

At last count, there were about 600,000 NFPs in Australia, including more than 56,400 charities. A great market for accountants and auditors.

Topics covered in the newsletter were:

Governance

- RSL National President steps down
- Advocacy risk for charities
- Senate committee to investigate charity fundraising
- DGR reforms proposed
- Conduct standards proposed for charities operating overseas
- Reminder about ACNC governance standards

ACNC activities

- Proposals to strengthen the ACNC
- Charities must obey the law
- Red-tape cut for NSW charities
- Reporting changes for NSW charitable associations
- New reporting exemption for Victorian charities
- ACNC revokes charities' statuses
- Mounting successful AGMs
- Treasury portfolio arrangements confirmed

Financial reporting insights

- NFP accounting standards operative
- NFPs' reporting rules unlikely to change

Fraud and NOCLAR

- Finance officer banned and fined
- Former Palm Island CEO fined

Governments and ATO

- Is your charity entitled to a franking-credit refund?
- NFPs and the Common Reporting Standard
- Single-touch payroll out of the blocks
- ATO guidance on NFPs' company tax
- Continued funding for Islamic school
- Draft ruling on 'in Australia' condition
- Proposed changes to the CATSI Act

- Successful series addressed NFPs' financial risks

Subscribers are free to delete material that is not suited to their needs, rearrange the order of articles or change headings – the flexibility is all theirs. They may add their own firm's news.

For further information on use of content for your accounting practice, please contact Colin.

Meeting your needs

As well as our advisory services on interpretation of accounting, auditing and ethical standards, help can also be provided with:

- **Financial reporting** – implementation of new accounting standards such as AASB 15 *Revenue from contracts with customers*, AASB 1058 *Income of Not-for-profit Entities*, AASB 9 *Financial Instruments*, and AASB 16 *Leases* and pre-issuance review of financial statements
- **Training** – face-to-face and web-based (*GAAPinars*) training on standards, legislative developments and business risks as well as client briefings on contemporary issues
- **Risk management** – quality-assurance reviews of audit files and risk-management systems (under auditing and ethical standards rules), and assistance with enquiries from regulators and accounting bodies, and help with managing litigation risks, and
- **Information services** – use of proprietary technical content from *GAAP Alert*, *Special GAAP Reports*, and *NFP Risks and Compliance* newsletters to enhance your brand awareness and expertise. We can also help you to communicate better in tenders, client communications, and internal manuals.



Colin Parker
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This communication provides general information current at the time of release. It is not intended that the information provide advice and should not be relied on as such. Professional advice should be sought prior to actions on any of the information contained herein.

Appendix Your November-March training calendar

Provided by the team at *GAAP Consulting*, *GAAP Training* gives you access to some of Australia's best financial instruction.

Our presenters have vast experience across private, not-for-profit and public sectors.

To meet your needs, we offer a unique blend of expert knowledge in financial reporting, auditing, ethics, superannuation, business risks and soft skills.

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- A five-part masterclass series (12.5 hours) delivered as *GAAPinars* on AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-For-Profit Entities*, and
- Our *Lead the way audit conference* (7.0 hours) with ten contemporary topics.

Our *GAAPinars* are tailored for accounting firms' audit and business teams.

Finance teams of corporates, not-for-profits and public-sector entities are also our market.

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Questions?

Andrew Parker (0401 858 889 or andrew@gaaptraining.com.au). For more detailed session content contact Colin Parker (0421 088 611 or colin@gaap.com.au).

Date	Topic	Format	CPD/CPE hours
1 Nov	<i>What's new in GAAP, GAAS, APES and the regulators</i>	GAAPinar	1.5
1 Nov	<i>Problem issues in AASB 15 Revenue from Contracts with Customers</i>	GAAPinar	1.5
8 Nov	<i>Examining changes to compliance engagements</i>	GAAPinar	1.5
15 Nov	<i>Implementing AASB 15 Revenue from Contracts with Customers disclosures</i>	GAAPinar	1.5
15 Nov	<i>Implementing AASB 7 Financial Instrument: Disclosures</i>	GAAPinar	1.5
20 Nov	<i>A not-for-profit focus on AASBs 15 and 1058</i>	GAAPinar	1.5
22 Nov	<i>Key issues in auditing revenue under AASB 15</i>	GAAPinar	1.5
22 Nov	<i>Key issues in auditing financial instruments under AASB 9</i>	GAAPinar	1.5
29 Nov	<i>The latest ACNC developments and insights</i>	GAAPinar	1.5
29 Nov	<i>Updating employment law and its risks</i>	GAAPinar	1.5
3 Dec	<i>Masterclass unravels AASB 16 Leases complexities</i>	Face-to-face masterclass (Melbourne)	6.0
6 Dec	<i>The legalities of contemporary business risks</i>	GAAPinar	1.5
6 Dec	<i>Reporting and auditing considerations for 31 December</i>	GAAPinar	1.5
11 Dec	<i>Lead the way – The audit decision-makers' conference</i>	Face-to-face conference (Melbourne)	7.0
18 Feb	<i>Five-part GAAPinar masterclass will answer your revenue queries</i>	GAAPinar	5.0
19 Feb	<i>Five-part GAAPinar masterclass will answer your revenue queries (continues)</i>	GAAPinar	5.0
20 Feb	<i>Five-part GAAPinar masterclass will answer your revenue queries (concludes)</i>	GAAPinar	2.5
14 Mar	<i>Lead the way – The audit decision-makers conference</i>	Face-to-face conference (Sydney)	7.0
15 Mar	<i>Masterclass unravels AASB 16 Leases complexities</i>	Face-to-face masterclass (Sydney)	6.0
25 Mar	<i>Masterclass unravels AASB 16 Leases complexities</i>	Face-to-face masterclass (Brisbane)	6.0
26 Mar	<i>Lead the way – The audit decision-makers' conference</i>	Face-to-face conference (Brisbane)	7.0